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Leading Holdings Group Limited

領地控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6999)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS AND OPERATIONAL HIGHLIGHTS

- Contracted sales for the year ended 31 December 2024 was RMB3,727 million.
- Contracted GFA sold for the year ended 31 December 2024 was 0.58 million sq.m.
- Revenue for the year ended 31 December 2024 was RMB8,571 million.
- Gross profit for the year ended 31 December 2024 was RMB114 million.
- Loss for the year ended 31 December 2024 attributable to owners of the Company was RMB2,085 million.
- Contracted average selling price for the year ended 31 December 2024 was RMB6,481 per sq.m.
- As at 31 December 2024, cash and bank balances⁽¹⁾ amounted to RMB1,480 million.

(1) Cash and bank balances comprise restricted cash, pledged deposits, and cash and cash equivalents

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Leading Holdings Group Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) with comparative figures for the year ended 31 December 2023. These annual results have been prepared in accordance with International Financial Reporting Standards (the “**IFRSs**”) and have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	4	8,571,476	18,493,524
Cost of sales		(8,457,341)	(16,727,734)
Gross profit		114,135	1,765,790
Other income and gains	4	30,828	85,091
Selling and distribution expenses		(280,609)	(1,013,184)
Administrative expenses		(198,462)	(294,754)
Fair value losses on investment properties, net		(398,700)	(355,900)
Other expenses		(619,867)	(39,571)
Finance costs	6	(325,410)	(262,376)
Share of profits and losses of:			
Joint ventures		28,123	12,200
Associates		(63,672)	(2,629)
LOSS BEFORE TAX	5	(1,713,634)	(105,333)
Income tax expense	7	(621,171)	(880,205)
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(2,334,805)</u>	<u>(985,538)</u>
Attributable to:			
Owners of the parent		(2,084,744)	(1,319,083)
Non-controlling interests		(250,061)	333,545
		<u>(2,334,805)</u>	<u>(985,538)</u>
LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
— For loss for the year		<u>RMB (2.03)</u>	<u>RMB (1.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		111,246	144,867
Investment properties		3,131,400	3,530,100
Right-of-use assets		35,185	48,099
Other intangible assets		16,217	19,034
Investments in joint ventures		127,867	397,117
Investments in associates		40,172	104,603
Deferred tax assets		277,597	779,512
Other non-current assets		16,696	143,730
		<hr/>	<hr/>
Total non-current assets		3,756,380	5,167,062
CURRENT ASSETS			
Properties under development		10,647,204	15,301,782
Completed properties held for sale		3,529,663	5,846,246
Trade receivables	10	31,356	41,332
Prepayments, deposits and other receivables		2,569,981	4,250,699
Due from related companies		162,881	813,325
Financial assets at fair value through profit or loss		—	900
Other current assets		63,381	119,351
Tax recoverable		382,162	499,478
Restricted cash		554,026	598,800
Pledged deposits		51,380	96,432
Cash and cash equivalents		874,662	1,311,364
		<hr/>	<hr/>
Total current assets		18,866,696	28,879,709

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and bills payables	11	4,849,136	5,513,317
Other payables and accruals		3,345,942	3,767,586
Interest-bearing bank and other borrowings	12	1,894,040	4,084,147
Senior notes	13	872,940	860,104
Contract liabilities		6,622,889	11,887,470
Lease liabilities		—	3,491
Due to related companies		103,259	598,309
Tax payable		1,920,819	2,094,888
		<hr/>	<hr/>
Total current liabilities		19,609,025	28,809,312
		<hr/>	<hr/>
NET CURRENT (LIABILITIES) ASSETS		(742,329)	70,397
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,014,051	5,237,459
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	2,427,700	2,141,350
Lease liabilities		—	8,539
Deferred tax liabilities		424,398	452,687
		<hr/>	<hr/>
Total non-current liabilities		2,852,098	2,602,576
		<hr/>	<hr/>
NET ASSETS		161,953	2,634,883
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital		8,670	8,670
Reserves		180,907	2,260,427
		<hr/>	<hr/>
		189,577	2,269,097
		<hr/>	<hr/>
Non-controlling interests		(27,624)	365,786
		<hr/>	<hr/>
TOTAL EQUITY		161,953	2,634,883
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the Year, the Group was involved in the following principal activities:

- Property development
- Commercial property investment and operations
- Hotel operations

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the directors, the investment holding companies of the Company are Yuan Di Capital Limited, Fan Tai Investment Holding Limited, Yue Lai Investment Limited, Jin Sha Jiang Holding Limited, Ling Yue Capital Holding Limited, Lian Rong Capital Limited, San Jiang Yuan Investment Limited, Fu Sheng Capital Limited and Shan Yuan Holdings Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

During the year ended 31 December 2024, the Group recorded a net loss of RMB2,334,805,000 and a net operating cash outflow. As at 31 December 2024, (i) the Group's total bank and other borrowings and senior notes amounted to RMB5,194,680,000, out of which RMB2,766,980,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB874,662,000; (ii) the Group had not repaid an aggregate principal amount of RMB872,940,000 for certain senior notes according to their scheduled repayment dates; (iii) an aggregate principal amount of RMB1,529,489,000 for certain interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates. In addition, as at 31 December 2024 and as of the date of approval of these consolidated financial statements, the Group has been and is being sued by various parties for various reasons.

The above conditions indicate the existence of material uncertainties which cast significant doubt over the Group's ability to continue as a going concern. In view of such circumstances, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including the following:

- (i) The Group has been actively negotiating with the Group's existing lenders to seek renewal or extension for repayment of the Group's bank and other borrowings;
- (ii) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- (iii) The Group will continue to seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (iv) The Group has prepared a business strategy plan focusing on the acceleration of the sales of properties;
- (v) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (vi) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows; and

- (vii) The Group has been proactive in seeking ways to settle the outstanding litigations of the Group.

After taking into account of the above plans and measures and the Group's cash flow projections prepared by the management covering a period of not less than twelve months from 31 December 2024, the Directors are of the opinion that the Group will have sufficient working capital for its operations and can meet its financial obligations as and when they fall due. Accordingly, the Directors considered that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures as described above. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully negotiate with the Group's existing lenders for the renewal or extension for repayment of the Group's bank and other borrowings;
- (ii) successfully secure project development loans for qualified project development;
- (iii) successfully obtain additional new sources of financing as and when needed;
- (iv) successfully carry out the Group's business strategy plan including the acceleration of the sales of properties;
- (v) successfully implement measures to speed up the collection of outstanding sales proceeds and effectively controlling costs and expenses;
- (vi) successfully dispose of the Group's equity interests in project development companies when suitable; and
- (vii) successfully settle the outstanding litigations of the Group.

Should the Group be unable to operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.2 APPLICATION OF NEW AND AMENDMENTS TO IFRSs

Application of amendments to IFRSs

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

Except as described below, the application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 — Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The application of the amendments has no material impact on the classification of the Group's liabilities.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- | | | |
|-----|--|---|
| (a) | Property development | Development and sale of properties and project management |
| (b) | Commercial property investment and operations; | Property leasing |
| (c) | Hotel operations | Hotel operations |

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that bank interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group's operations are mainly conducted in Chinese Mainland. Management considered that there is no reportable geographic segment as all revenues from external customers are generated in Chinese Mainland and the Group's significant non-current assets are located in Chinese Mainland.

Year ended 31 December 2024	Property development RMB'000	Commercial property investment and operations RMB'000	Hotel operations RMB'000	Total RMB'000
Segment revenue				
Sales to external customers	8,438,133	85,786	47,557	8,571,476
Segment results	(1,014,939)	(346,150)	21,396	(1,339,693)
<i>Reconciliation:</i>				
Bank interest income				7,680
Finance costs				(325,410)
Corporate and other unallocated expenses				(56,211)
Loss before tax from continuing operations				<u>(1,713,634)</u>
Segment assets	14,579,457	7,789,793	85,240	22,454,490
<i>Reconciliation:</i>				
Corporate and other unallocated assets				168,586
Total assets				<u>22,623,076</u>
Segment liabilities	15,895,760	6,054,929	147,894	22,098,583
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				362,540
Total liabilities				<u>22,461,123</u>

Year ended 31 December 2023	Property development <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	<u>18,329,555</u>	<u>110,528</u>	<u>53,441</u>	<u>18,493,524</u>
Segment results	495,397	(285,847)	15,638	225,188
<i>Reconciliation:</i>				
Bank interest income				11,917
Finance costs				(262,376)
Corporate and other unallocated expenses				<u>(80,062)</u>
Loss before tax from continuing operations				<u>(105,333)</u>
Segment assets	23,000,820	10,693,895	140,652	33,835,367
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>211,404</u>
Total assets				<u>34,046,771</u>
Segment liabilities	22,972,840	7,862,162	210,261	31,045,263
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>366,625</u>
Total liabilities				<u>31,411,888</u>

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Sale of properties	8,426,564	18,315,910
Hotel operations	47,557	53,441
Project management	11,569	13,645
Sub-total	8,485,690	18,382,996
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	85,786	110,528
Total revenue	8,571,476	18,493,524

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the year ended 31 December 2024

Segments	Property development <i>RMB'000</i>	Project management operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	8,426,564	—	—	8,426,564
Hotel operations	—	—	47,557	47,557
Project management services	—	11,569	—	11,569
Total revenue from contracts with customers	8,426,564	11,569	47,557	8,485,690
Timing of revenue recognition				
At a point in time	8,426,564	—	47,557	8,474,121
Recognised over time	—	11,569	—	11,569
Total revenue from contracts with customers	8,426,564	11,569	47,557	8,485,690

For the year ended 31 December 2023

Segments	Property development <i>RMB'000</i>	Project management operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of properties	18,315,910	—	—	18,315,910
Hotel operations	—	—	53,441	53,441
Project management services	—	13,645	—	13,645
	<u>18,315,910</u>	<u>13,645</u>	<u>53,441</u>	<u>18,382,996</u>
Total revenue from contracts with customers	<u>18,315,910</u>	<u>13,645</u>	<u>53,441</u>	<u>18,382,996</u>
Timing of revenue recognition				
At a point in time	18,315,910	—	53,441	18,369,351
Recognised over time	—	13,645	—	13,645
	<u>18,315,910</u>	<u>13,645</u>	<u>53,441</u>	<u>18,382,996</u>
Total revenue from contracts with customers	<u>18,315,910</u>	<u>13,645</u>	<u>53,441</u>	<u>18,382,996</u>
		2024		2023
		<i>RMB'000</i>		<i>RMB'000</i>
Other income and gains				
Bank interest income		7,680		11,917
Management consulting service fees charged to joint ventures and associates		—		7,665
Government grants*		3,703		16,023
Commercial compensation		6,863		6,538
Gain on disposal of items of property, plant and equipment		—		5,247
Gain on disposal of subsidiaries		—		32,638
Gain on disposal of a joint venture		2,909		—
Gain on debt restructure		7,416		3,273
Others		2,257		1,790
		<u>30,828</u>		<u>85,091</u>
Total		<u>30,828</u>		<u>85,091</u>

* Government subsidy represented unconditional cash payments granted by government authorities.

5. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/ (crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Costs of properties sold included in cost of sales	8,397,566	16,354,142
Impairment losses recognised for properties under development (included in cost of sales)	721,460	605,118
Impairment losses recognised for completed properties held for sale (included in cost of sales)	479,333	197,168
Impairment losses recognised for trade receivables (note 1)	608	—
Impairment losses recognised for other receivables (note 1)	115,535	299
Impairment losses recognised for due from related companies (note 1)	212,807	—
Loss on bankruptcy reorganisation of subsidiaries (note 1)	245,697	—
Depreciation of property, plant and equipment	33,675	31,889
Amortisation of other intangible assets	3,357	3,665
Depreciation of right-of-use assets	12,914	7,612
Expense relating to short-term leases	1,547	2,257
Employee benefits expense (including directors' and chief executive's remuneration):		
Wages and salaries	144,574	171,326
Pension scheme contributions and social welfare	10,693	13,363
Less: amounts capitalised to properties under development for sale	(21,471)	(28,237)
	<u>133,796</u>	<u>156,452</u>

Note 1: These items are included in "Other expense" in the consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans and other borrowings, and senior notes	440,026	815,348
Interest on lease liabilities	284	785
Interest on pre-sales deposits included in contract liabilities	<u>183,509</u>	<u>858,180</u>
Total interest expense	623,819	1,674,313
Less: Interest capitalised	<u>(298,409)</u>	<u>(1,411,937)</u>
	<u><u>325,410</u></u>	<u><u>262,376</u></u>

Interest capitalised arose on the general borrowing pool of the Group was calculated by applying a capitalisation rate of approximately 6.46% (2023: 7.91%) per annum to expenditure on the qualifying assets.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2024.

Subsidiaries of the Group operating in Mainland China, except for Tibet Ludi Industrial Co., Ltd. ("**Tibet Ludi**"), are subject to PRC enterprise income tax ("**EIT**") at a rate of 25% for the Year. Tibet Ludi enjoyed a preferential EIT rate of 15% during the year ended 31 December 2024.

Land appreciation tax (“LAT”) is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included a provision for LAT in taxation according to the requirements set forth in the relevant Chinese Mainland tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC EIT	139,941	380,582
PRC LAT	51,295	462,537
Deferred tax	429,935	37,086
	<u>621,171</u>	<u>880,205</u>
Total tax charge for the year	<u>621,171</u>	<u>880,205</u>

8. DIVIDENDS

The Board has resolved not to declare any dividend for the year ended 31 December 2024 (2023: Nil).

9. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic losses per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,026,945,000 (2023: 1,026,945,000) in issue during the year.

No adjustment has been made to the basic losses per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue for the years ended 31 December 2024 and 2023.

The calculations of basic and diluted losses per share are based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<u>Earnings</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted losses per share calculation	<u>(2,084,744)</u>	<u>(1,319,083)</u>

	Number of shares	
	2024	2023
<u>Shares</u>		
Weighted average number of ordinary shares in issue used in the basic and diluted losses per share calculation	<u>1,026,945,000</u>	<u>1,026,945,000</u>

10. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	31,964	41,332
Less: allowance for impairment of trade receivables	<u>(608)</u>	<u>—</u>
	<u>31,356</u>	<u>41,332</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of the properties or billing date were delivered and sales, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	31,356	36,034
Over 1 year	<u>608</u>	<u>5,298</u>
Total	<u>31,964</u>	<u>41,332</u>

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	1,900,684	4,584,071
Over 1 year	2,948,452	929,246
	<u>4,849,136</u>	<u>5,513,317</u>

The trade payables are unsecured and non-interest-bearing and are normally settled based on the progress of construction.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effect	Maturity	<i>RMB'000</i>	Effect	Maturity	<i>RMB'000</i>
	interest rate (%)			interest rate (%)		
Current						
Current portion of long term bank loans — secured	2.39–9.17	2025	23,157	4.51–9.13	2024	1,178,166
Current portion of long term bank loans — secured	4.7–5.12	on demand	638,751	4–5.12	on demand	886,711
Current portion of long term other loans — secured	9.93	2025	341,394	10.06–11.5	2024	1,123,130
Current portion of long term other loans — secured	11.5–11.88	on demand	890,738	11.88	on demand	896,140
Total-current			<u>1,894,040</u>			<u>4,084,147</u>
Non-current						
Bank loans — secured	4.07–4.93	2026–2035	2,059,726	4.70–8.41	2025–2035	1,954,641
Other loans — secured	8.58–10.1	2026–2027	367,974	8.27–9.93	2025–2026	186,709
Total-non-current			<u>2,427,700</u>			<u>2,141,350</u>
Total			<u>4,321,740</u>			<u>6,225,497</u>

Bank and other borrowings

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Analysed into:		
Repayable within one year or on-demand	1,894,040	4,084,147
Repayable in the second year	15,329	403,441
Repayable in the third to fifth years, inclusive	1,029,174	170,584
Repayable beyond five years	1,383,197	1,567,325
	<u>4,321,740</u>	<u>6,225,497</u>

13. SENIOR NOTES

	Principal at original currency <i>US\$'000</i>	Contractual interest rate <i>(%)</i>	Maturity	31 December 2024 <i>RMB'000</i>	31 December 2023 <i>RMB'000</i>
Senior notes due 2022 (“ 2022 notes I ”)	2,966	12	June 2022	21,321	21,007
Senior notes due 2023 (“ 2023 notes I ”)	119,430	12	June 2023	851,619	839,097
Total Current				<u>872,940</u>	<u>860,104</u>

As at 31 December 2024 and 2023, the Group’s senior notes were in default and repayable on demand.

BUSINESS REVIEW

In 2024, although the Group was inevitably impacted by the deep restructuring of the industry, it managed to achieve strong results despite certain fluctuations, showcasing the resilience of its workforce in adversity. In addition, we succeeded in delivering about 910,000 square metres (“sq.m.”) of properties to property owners, which is a strong testament to the dedication and hard work of all staff in the production system and the project team. On the other hand, the investment, finance, treasury and legal teams have been tackling difficult projects. The birth of the “Nanyuan (楠苑)” series also marks the beginning of a new chapter in the Group’s product iteration and upgrading process.

The journey in 2024 was far from smooth, with final results falling short of expectations. However, the Company remained resilient in the face of challenges, and the Group continued to demonstrate its vitality and resilience. We would like to extend our sincere recognition and appreciation to all employees for their dedication and hard work throughout the past year.

OUTLOOK

In 2025, the Group will focus on sales of remaining properties, indebtedness reduction and rejuvenation.

First is to sell remaining properties. Apparently, the industry has entered an era of de-stocking, and the pressure of inventory remains a challenge for the Group. Continuously exploring effective de-stocking strategies will be the most important issue for 2025.

Second is to reduce indebtedness. The Group’s land reserve, however, is also hampered by a number of factors that prevent it from being effectively converted into production resources for the time being. We strive to optimise our debt structure and increase liquidity by revitalising our assets through our policies.

Third is to foster rejuvenation. We will maintain our unwavering commitment to quality through 2025, with quality remaining the core driver that propels the Company from survival to prosperity.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Development

Contracted Sales

During the Year, the Group recorded contracted sales of RMB3,727 million, representing a year-over-year decrease of 53% from the year ended 31 December 2023 due to the industry wide continuous downturn in China during the Year.

During the Year, total contracted gross floor area (“GFA”) sold amounted to approximately 0.58 million sq.m., representing a decrease of approximately 47% from approximately 1.1 million sq.m. for the year ended 31 December 2023. Contracted average selling price (“ASP”) for the year ended 31 December 2024 was approximately RMB6,481 per sq.m., compared with RMB7,202 per sq.m. for the year ended 31 December 2023.

Contracted sales from Beijing-Tianjin-Hebei Region, Central China, Chengdu-Chongqing Economic Zone and Sichuan province, Guangdong-Hong Kong-Macau Greater Bay Area contributed to approximately 2%, 4%, 84% and 1%, respectively, of the Group’s total contracted sales in 2024.

The following table sets out the geographic breakdown of the Group’s contracted sales in 2024.

	Contracted GFA Sold <i>(sq.m.)</i>	Contracted Sales <i>(RMB'000)</i>	Contracted ASP <i>(RMB/sq.m.)</i>	% of Contracted Sales <i>(%)</i>
Beijing-Tianjin-Hebei Region	13,577	8,484	6,249	2%
Central China	32,485	14,668	4,515	4%
Chengdu-Chongqing Economic Zone and Sichuan province	448,131	310,831	6,936	84%
Guangdong-Hong Kong-Macau Greater Bay Area	6,827	4,330	6,342	1%
Other Regions ⁽¹⁾	73,981	34,347	4,643	9%
Total	<u>575,001</u>	<u>372,660</u>	<u>6,481</u>	<u>100%</u>

Note:

- (1) Other Regions include Changchun of Jilin province, Urumqi and Korla of Xinjiang Uyghur Autonomous Region, Zunyi and Kaili of Guizhou province, which are not in the Group’s key regions.

Revenue Recognized from Sales of Properties

Revenue from sale of properties of the Group decreased by 54% from approximately RMB18,316 million for the year ended 31 December 2023 to approximately RMB8,427 million for the year ended 31 December 2024, accounting for 98% of the Group's total revenue. The Group's recognized ASP from sales of properties decreased from approximately RMB7,244 per sq.m. for the year ended 31 December 2023 to approximately RMB6,876 per sq.m. for the Year.

The following table sets forth the details of the revenue recognized from the sales of properties of the Group by geographical location for the years indicated.

	Recognized Revenue from		% of Recognized Revenue		Total GFA Recognized		Recognized ASP	
	Sale of Properties		from Sale of Properties		sq.m		RMB/sq.m	
	(RMB'000)	(RMB'000)	%	%	sq.m	sq.m	RMB/sq.m	RMB/sq.m
	2024	2023	2024	2023	2024	2023	2024	2023
Beijing-Tianjin-Hebei Region	18,414	271,571	0.2%	1.5%	2,293	43,370	8,031	6,262
Central China	346,568	116,130	4.1%	0.6%	114,950	22,732	3,015	5,109
Chengdu-Chongqing Economic Zone and Sichuan province	5,462,278	17,140,938	64.8%	93.6%	713,178	2,346,193	7,659	7,306
Guangdong-Hong Kong-Macau Greater Bay Area	14,794	613,665	0.2%	3.4%	3,206	79,039	4,614	7,764
Other Regions	2,584,510	173,606	30.7%	0.9%	391,963	36,971	6,594	4,696
Total	<u>8,426,564</u>	<u>18,315,910</u>	<u>100%</u>	<u>100%</u>	<u>1,225,590</u>	<u>2,528,305</u>	<u>6,876</u>	<u>7,244</u>

The following table sets forth the revenue from sale of properties and ASP by type of properties for the years indicated.

	Recognized Revenue from		% of Recognized Revenue		Total GFA Recognized		Recognized ASP	
	Sale of Properties		from Sale of Properties		sq.m		RMB/sq.m	
	(RMB'000)	(RMB'000)	%	%	sq.m	sq.m	RMB/sq.m	RMB/sq.m
	2024	2023	2024	2023	2024	2023	2024	2023
Residential	7,137,030	16,964,912	84.7%	92.6%	995,857	2,286,029	7,167	7,421
Commercial	1,061,159	1,052,290	12.6%	5.7%	89,254	88,725	11,889	11,860
Car Parks	228,375	298,708	2.7%	1.6%	140,478	153,551	1,626	1,945
Total	<u>8,426,564</u>	<u>18,315,910</u>	<u>100.0%</u>	<u>100.0%</u>	<u>1,225,589</u>	<u>2,528,305</u>	<u>6,876</u>	<u>7,244</u>

Completed Properties Held for Sale

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As at 31 December 2024, the Group had completed properties held for sale of RMB3,530 million, representing a decrease of 40% from RMB5,846 million as at 31 December 2023. The decrease was primarily due to the sluggish sales of properties. The Group has obtained the construction completion certificates in respect of all completed properties held for sale.

Properties under Development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 31 December 2024, the Group had properties under development of RMB10,647 million, representing a decrease of 30% from RMB15,302 million as at 31 December 2023 as the Group has taken a more prudent approach on developing new projects after considering the current industry environment.

Property Investment

Commercial Property Operations

The Group's revenue from commercial property operations of the Group decreased by 22% from approximately RMB111 million for the year ended 31 December 2023 to approximately RMB86 million for the year ended 31 December 2024, primarily attributable to the decrease in the occupancy rate and rental due to the sluggish domestic macro-economy.

Investment Properties

As at 31 December 2024, the Group had 8 investment properties with a total leasable GFA of approximately 291,394 sq.m.. Out of such investment properties portfolio of the Group, investment properties with a total GFA of approximately 221,796 sq.m. had commenced leasing.

LAND BANK

As at 31 December 2024, the total GFA of land reserves of the Group was approximately 8,187,585 sq.m. The following table sets forth a summary of the Group's property interests as at 31 December 2024:

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾	
			Attributable to the Group	Primary Intended Use			(sq.m.)	Address
Properties developed by the Group and its subsidiaries								
1	Chengdu Yipin Center	Chengdu	95%	Commercial/Carpark/Others	20,534	31 December-2030	141,509	Within the planned red line of Chadianzi Yipintianxia Street, Jinmiu District, Chengdu City, Sichuan Province
2	Chengdu Xishan Lantai	Chengdu	100%	Residential/Carpark/Ancillary/ Others	34,756	25 May-2021	13,520	No. 988, Huaxin Avenue, Baihe Town, Longquanyi District, Chengdu City, Sichuan Province
3	Chengdu Yue Center	Chengdu	99%	Residential/Commercial/ Carpark/Ancillary/Others	27,400	20 May-2022	10,372	No. 521, East Section of Industrial Avenue, Xindu District, Chengdu City, Sichuan Province
4	Chongqing Leading Guanyun House	Chongqing	99%	Residential/Carpark/Ancillary/ Others	40,372	10 November-2021	16,620	No. N23/03, N District, Jieshizutuan, Banan, Chongqing
5	Leshan Qingjiang Lantai Mansion	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/Others	50,000	25 December-2020	7,469	No. 533 Ruihan Road, Shizhong District, No. 1065 Taibai Road, Shizhong District, Leshan City, Sichuan Province
6	Chengdu Tianfu Lantai Mansion (Xinlong)	Chengdu	98%	Residential/Commercial/ Carpark/Ancillary/Others	159,963	09 December-2022	44,973	Group 2, 5, 6, Yangliu Village and Group 2, Liuhe Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
7	Chengdu Tianfu Lantai Mansion (Jingyang)	Chengdu	100%	Residential/Carpark/Ancillary/ Others	38,967	30 November-2021	22,507	Group 2, 3, Yangliu Village, Huayuan Town, Xinjin County, Chengdu City, Sichuan Province
8	Chengdu Haina Shidai	Chengdu	99%	Residential/Commercial/ Carpark/Ancillary/Others	41,822	28 February-2017	13,055	Zhili Road and Zhixinger Road, Chengdu City, Sichuan Province
9	Chengdu Lantai House	Chengdu	99%	Residential/Carpark/Others	40,897	30 October-2020	13,681	No. 1555, Guoning West Road, Hongguang Town, Pidu District, Chengdu City, Sichuan Province
10	Chengdu Leading Tianyu	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/Others	57,523	12 December-2023	16,823	Diagonally opposite to Volkswagen 4S Store, Renshou Avenue, Renshou County, Chengdu City, Sichuan Province
11	Pengshan Guanjiang Mansion	Meishan	80%	Residential/Commercial/ Carpark/Ancillary/Others	71,770	31 March-2023	32,816	Binjiang Avenue, Pengshan District, Meishan City, Sichuan Province
12	Panzhihua Leading Yangguang Flower City	Panzhihua	100%	Residential/Commercial/ Carpark/Ancillary/Others	186,791	31 December-2024	95,441	Ganbatang Area, Huacheng New District, Panzhihua City, Sichuan Province
13	Xichang Leading Lantai House	Xichang	51%	Residential/Commercial/ Carpark/Ancillary/Others	99,752	24 May-2019	3,157	Xijiao Yaoshan Village, North of Nanshan Avenue, South of Haihe Road, Xichang City, Sichuan Province
14	Xichang Leading Triumph International Mansion	Xichang	82%	Residential/Commercial/ Carpark/Ancillary/Others	33,287	31 January-2017	917	No. 599, Section 5, East Extension Line of Hangtai Road, Xichang City, Sichuan Province
15	Xichang Leading Jinxiu Lantai Mansion	Xichang	96%	Residential/Commercial/ Carpark/Ancillary/Others	62,578	31 December-2027	115,969	Near Zhonghang East Road, West New City, Xichang City, Sichuan Province
16	Urumchi Leading Lantai House	Urumchi	95%	Residential/Commercial/ Carpark/Ancillary/Others	103,928	31 December-2027	135,449	No. 616, Junggar Street, East of Suzhou Road, Urumqi City, Xinjiang Uygur Autonomous Region

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾	
			Attributable to the Group	Primary Intended Use			(sq.m.)	Address
17	Urumchi Leading Tianyu	Urumchi	100%	Residential/Commercial/ Carpark/Ancillary/Others	115,428	31 December-2027	92,378	South of Hongguangshan Road, Shuimogou District, Urumqi City, Xinjiang Uygur Autonomous Region
18	Korla Leading Lantai House	Korla	100%	Residential/Commercial/ Carpark/Ancillary/Others	63,624	15 October-2020	5,376	Leading Triumph Mansion, near southwest No. 6 Shihua Avenue, No. 5 Community, Construction Area, Korla City, Bazhou, Xinjiang Uygur Autonomous Region
19	Korla Leading Triumph Mansion	Korla	85%	Residential/Commercial/ Carpark/Ancillary/Others	87,933	31 December-2027	28,595	(Next to Peacock Park) No. 6 Shihua Avenue, Korla, Xinjiang Uygur Autonomous Region
20	Chengteh Lantai House	Chengteh	40%	Residential/Commercial/ Carpark/Ancillary/Others	53,279	30 July-2020	1,856	Yuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
21	Chengteh Lantai House Yunshang & Jinyuan	Chengteh	50%	Residential/Commercial/ Ancillary/Others	62,969	31 December-2024	70,868	Sicaigou B, Dayuanbao Mountain, Shuangtashan Town, Shuangluan District, Chengde City, Hebei Province
22	Chengteh Lantai House Yueshan	Chengteh	51%	Residential/Commercial/ Carpark/Ancillary/Others	34,981	01 April-2023	6,833	Yuanbao Mountain, Shuangluan District, Chengde City, Hebei Province
23	Jilin Triumph Mansion	Changchun	55%	Residential/Commercial/ Carpark/Ancillary/Others	132,188	22 May-2020	125	Xincheng West Street, Jingyue Development Zone, Changchun City, Jilin Province
24	Xingyang Leading Tianyu	Xingyang	70%	Residential/Commercial/ Carpark/Ancillary/Others	29,396	31 December-2021	35,463	Northwest of the intersection of Jingcheng Road and Gongye East Road, Xingyang City, Zhengzhou City, Henan Province
25	Shangqiu Leading Lantai House	Shangqiu	51%	Residential/Commercial/ Carpark/Ancillary/Others	59,698	31 December-2027	19,139	North of Xiwang Road, south of Nanjing Road, west of Shangqiu City Road(Planning), East of Zhenxing Road, Henan Province
26	Zhumadian Royal Lantai Mansion Phase I	Zhumadian	69%	Residential/Commercial/ Carpark/Ancillary/Others	182,936	31 December-2021	153,022	Northwest of the intersection of Tianzhongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
27	Zhumadian Royal Lantai Mansion Phase II	Zhumadian	69%	Residential/Carpark/Ancillary/ Others	70,590	31 December-2030	200,882	Northeast of the intersection of Zhangtai Avenue and Jianshe Avenue, Zhumadian City, Henan Province
28	Zhumadian Royal Lantai Mansion Phase III	Zhumadian	69%	Residential/Carpark/Ancillary/ Others	75,863	31 December-2030	50,811	Southwest of the intersection of Lizhuang Road and Chunliu Road, Zhumadian City, Henan Province
29	Zhumadian Royal Lantai Mansion Phase IV	Zhumadian	69%	Residential/Carpark/Ancillary/ Others	168,489	31 December-2027	253,504	Northeast corner of the intersection of Tongshan Avenue and Jianshe Avenue, Zhumadian City, Henan Province
30	Zhumadian Royal Lantai Mansion Phase V	Zhumadian	69%	Residential/Commercial/ Carpark/Ancillary/Others	156,270	31 December-2030	181,271	The southeast side of the intersection of Lizhuang Road and Chunliu Road, and the northwest side of the intersection of Zhangtai Road and Jianshe Avenue, Zhumadian City, Henan Province
31	Jingzhou Leading Lantai House	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	54,070	28 September-2021	11,581	Northwest of the intersection of Chutian Road and Dongqiao Road, Jingbei New District, Jingzhou District, Jingzhou City, Hubei Province
32	Jingzhou Leading Fengming Lantai Mansion	Jingzhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	48,399	14 July-2022	8,375	No.66, Fengming Avenue, Jingzhou District, Jingzhou City, Hubei Province
33	Leshan Haina Mansion	Leshan	51%	Residential/Commercial/ Carpark/Ancillary/Others	36,200	05 January-2016	1,141	No.1589 Muyuan Road, Muchuan County, Leshan City, Sichuan Province

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾	
			Attributable to the Group	Primary Intended Use			(sq.m.)	Address
34	Leshan Lantai House	Leshan	59%	Residential/Commercial/ Carpark/Ancillary/Others	88,108	31 December-2021	19,008	East of the intersection of Sansu Road and Ruixiang Road, Qingjiang New District, Shizhong District, Leshan City, Sichuan Province
35	Leshan Tianyu	Leshan	50%	Residential/Commercial/ Carpark/Ancillary	29,796	01 March-2020	228	Intersection of Hanlin Road and Fenghuang Road, Tongjiang District, Leshan City, Sichuan Province
36	Leshan Lanshan	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/Others	89,630	01 October-2021	4,199	No. 881, Section 1, Ruixiang Road, Leshan City, Sichuan Province
37	Leshan International Mansion	Leshan	99%	Residential/Commercial/ Carpark/Ancillary/Others	127,204	17 May-2019	884	Taoyuan New Village, Mouzi Town, Shizhong District, Leshan City, Sichuan Province
38	Meishan Triumph International Mansion	Meishan	100%	Residential/Commercial/ Carpark/Ancillary/Others	256,303	27 November-2020	24,412	Southwest corner of the intersection of Hubin Road and Meizhou Avenue, Meishan City, Sichuan Province
39	Meishan Triumph Square	Meishan	78%	Residential/Commercial/ Carpark/Ancillary	73,976	19 May-2015	90	Northeast of the intersection of Suyuan Road and Dongpo Avenue, Dongpo District, Meishan City, Sichuan Province
40	Meishan Huayu Phase II	Meishan	99%	Residential/Commercial/ Carpark/Ancillary/Others	9,102	03 June-2020	1,629	Southeast corner of the intersection of Suyuan Road and Chongguang Street, Meishan City, Sichuan Province
41	Meishan Triumph International Mansion Phase II	Meishan	57%	Residential/Commercial/ Carpark/Ancillary/Others	39,838	30 July-2019	183	Northeast of the intersection of Jiangxiang Road and Qingyihang, Dongpo District, Meishan City, Sichuan Province
42	Haifeng Tianyu	Shanwei	100%	Residential/Commercial/ Carpark/Ancillary/Others	35,774	16 December-2023	38,856	Plot KJC-B07, Ecological Technology City, Haifeng County, Shanwei City, Guangdong Province
43	Huizhou Lantai House	Huizhou	100%	Residential/Commercial/ Carpark/Ancillary/Others	83,840	30 March-2023	40,229	West of Jinquan Road, Xincheng, North Railway Station, Huicheng District, Huizhou City, Guangdong Province
44	Foshan Haina Longting	Foshan	51%	Residential/Commercial/ Carpark/Others	36,943	30 August-2017	434	the north side of Qinggong Road and the east side of Dayong, North and South, Chancheng District, Foshan Guangdong Province
45	Foshan Haina Junting	Foshan	100%	Residential/Commercial/ Carpark/Ancillary/Others	20,536	01 April-2017	75	West Guangyun Chantan Cross Road, Zhenli, Dali, Nanhai District, Guangdong Province
46	Mianyang Tianyu	Mianyang	100%	Residential/Commercial/ Carpark/Ancillary/Others	26,140	31 March-2020	5,121	No. 2, Hongjiao Road, Chengnan New District, Mianyang City, Sichuan Province
47	Mianyang Lantai House	Mianyang	61%	Residential/Commercial/ Carpark/Ancillary/Others	56,060	20 August-2020	8,382	No. 94, Sanxing Road, Youxian District, Mianyang City, Sichuan Province
48	Nanchong Lantai House	Nanchong	99%	Residential/Carpark/Ancillary/ Others	59,774	20 April-2022	64,666	No. 118, Maoyuan South Road, Shunqing District, Nanchong City, Sichuan Province
49	Nanchong Tianyu	Nanchong	50%	Residential/Commercial/ Carpark/Ancillary/Others	25,053	17 November-2020	14,993	No. 561, Jinyuling Road, Shunqing District, Nanchong City, Sichuan Province
50	Ya'an Yunjing	Ya'an	100%	Residential/Commercial/ Carpark/Ancillary	30,184	06 November-2020	10,453	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
51	Ya'an Guanjiang Mansion	Ya'an	99%	Residential/Commercial/ Carpark/Ancillary	39,149	23 November-2020	13,927	Qianjin Village, Daxing Town, Yucheng District, Ya'an City, Sichuan Province
52	Ya'an Tianyu	Ya'an	53%	Residential/Commercial/ Carpark/Ancillary	18,253	12 September-2019	7,714	Yazhou Avenue, Yucheng District, Ya'an City, Sichuan Province

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾	
			Attributable to the Group	Primary Intended Use			(sq.m.)	Address
53	Ya'an Lantai House	Ya'an	49%	Residential/Commercial/ Carpark/Ancillary	43,790	02 February-2021	19,883	No. 6, Ankang Road, Yucheng District, Ya'an City, Sichuan Province
54	Ya'an Lantai House Phase III	Ya'an	99%	Residential/Commercial/ Carpark/Ancillary/Others	53,520	15 September-2021	24,597	Plot 2-12, Daxing District, Yucheng District, Ya'an City, Sichuan Province
55	Mianyang Guanjiang Mansion	Mianyang	100%	Residential/Commercial/ Carpark/Others	134,016	31 December-2027	361,625	Putisi Village, Ningxiang Temple Neighborhood Committee, High-tech Zone, Mianyang City, Sichuan Province
56	Mianyang Leading Dongyuan Yue Town	Mianyang	49%	Residential/Commercial/ Carpark/Ancillary/Others	116,755	30 June-2023	112,504	C, Dengta Community, Qingyi Town, Fucheng District, Mianyang City, Sichuan Province
57	Ya'an Yuejiangting	Ya'an	50%	Residential/Commercial/ Carpark/Ancillary/Others	16,674	21 October-2021	9,918	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
58	Xichang Tianyu	Xichang	99%	Residential/Commercial/ Carpark/Ancillary/Others	26,935	15 January-2023	4,104	Near Section 1 of Linhuanhai Road, Chengdongchuanxing, Xichang City, Sichuan Province
59	Kaili Leading Tianyu	Kaili	99%	Residential/Commercial/ Carpark/Ancillary/Others	251,148	31 December-2027	644,929	Daxing Area, Yucheng District, Ya'an City, Sichuan Province
60	Chengdu Xindu Yue House	Chengdu	100%	Residential/Commercial/ Carpark/Ancillary/Others	310,866	30 August-2024	393,882	No. 600, East Section of Xueyuan Road, Xindu District, Chengdu City, Sichuan Province
61	Luzhou Lantai House	Luzhou	96%	Residential/Commercial/ Carpark/Ancillary/Others	52,767	28 February-2023	42,517	East side of Changjiang Primary School, Shawan District, Luzhou City, Sichuan Province
62	Chengdu Tianfu Kangcheng (Duneng)	Chengdu	95%	Residential/Commercial/ Carpark/Ancillary	90,121	31 December-2028	230,170	East of Huanhu East Road, Shigao Town, Renshou County
63	Chengdu Tianfu Kangcheng (Shengyu)	Chengdu	95%	Commercial/Carpark/Ancillary/ Others	60,638	31 December-2028	271,425	East of Huanhu East Road, Shigao Town, Renshou County
64	Chengdu Tianfu Kangcheng (Yuandi)	Chengdu	95%	Residential/Commercial/ Carpark/Ancillary	85,773	31 December-2028	192,988	East of Huanhu East Road, Shigao Town, Renshou County
65	Urumqi Jinshang Lantai Mansion	Urumqi	60%	Residential/Commercial/ Carpark/Ancillary/Others	27,059	10 May-2024	4,611	East of Liyushan Road, High-tech Zone, Urumqi City
66	Urumqi Tianjing Yunzhu	Urumqi	100%	Residential/Commercial/ Carpark/Ancillary/Others	30,178	10 January-2024	14,706	Main Road, Changchun Middle Road, Urumqi City
67	Nanchong Jinwei Leading Yue Town	Nanchong	44%	Residential/Commercial/ Carpark/Ancillary/Others	90,142	30 June-2025	151,242	Plot 2 on the east side of Financial Avenue, North New City, Shunqing District, Nanchong City
68	Guangyuan Leading City	Guangyuan	96%	Residential/Commercial/ Carpark/Ancillary	290,480	31 December-2027	304,563	Located on the east side of Kangyang Avenue in Heishipo Forest Park and the north side of Qiaoge Road in Xuefeng Office, Lizhou District, Guangyuan City
69	Panzhihua Ruxiang Flower City	Panzhihua	50%	Commercial/Carpark/Ancillary	10,562	31 March-2023	26,723	Ganbatang Area, Huacheng New District, Panzhihua City
70	Chengdu Leading Guanjiang House	Dujiangyan	86%	Residential/Commercial/ Carpark/Ancillary/Others	78,475	31 December-2024	115,897	North of Baishui East Road, East of Shangshan East Road, Dujiangyan City, Sichuan Province
71	Suining Taoli County	Suining	34%	Residential/Commercial/ Carpark/Ancillary/Others	30,808	30 March-2023	31,835	East of Suizhou North Road, North of Hongjiao East Street, Suining Economic Development Zone, Sichuan Province
72	Xichang Leading Guanyuan	Xichang	69%	Residential/Commercial/ Carpark/Ancillary/Others	90,531	30 March-2025	64,029	The southeast area of the downtown, Xichang City, Sichuan Province
73	Luohe Lishang Lantai	Luohe	50%	Residential/Commercial/ Carpark/Ancillary/Others	109,724	31 December-2027	221,309	West of High-speed Railway Bridge, on the north side of Shali Industry Cluster, South of Lihe, Luohe City, Henan Province

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾	
			Attributable to the Group	Primary Intended Use			(sq.m.)	Address
74	Chengdu Leading Hexing Lifu Lantai Mansion	Pengzhou	50%	Residential/Commercial/ Carpark/Ancillary/Others	64,309	10 January-2024	38,156	Qingyang Village, Zhihe Town, Pengzhou City, Sichuan Province
75	Chengdu Huguang Heyue	Pengzhou	50%	Residential/Commercial/ Carpark/Ancillary	41,343	30 November-2023	43,721	South side of Section 1, Huanhu Road, West side of Kaixuan Avenue, Zhihe Street, Pengzhou City, Sichuan Province
76	Leshan Biguiyuan Leading Tangyue Lantai	Leshan	99%	Residential/Commercial/ Carpark/Ancillary	56,197	31 May-2024	32,679	South side of Tanmu South Street, Central District, Leshan City, Sichuan Province
77	Mianyang Leading City	Mianyang	35%	Residential/Commercial/ Carpark/Ancillary	509,352	27 January-2030	1,370,337	Longmen Town, Fucheng District, Mianyang City, Sichuan Province
78	Leshan Lanshan Yue	Leshan	99%	Residential/Commercial/ Carpark/Ancillary	25,560	10 August-2023	9,761	North side of Changqing Road, west side of Ruixiang Road, Qingjiang Area, Leshan, Sichuan Province
79	Wuhan Leading Yinbao City	Wuhan	51%	Residential/Commercial/ Carpark/Ancillary	22,131	30 December-2025	110,233	Fangcao Road, Wuhan City
80	Mianyang Yue Garden	Mianyang	86%	Residential/Commercial/ Carpark/Ancillary	36,411	01 June-2026	71,553	Science and Innovation Park, Mianyang City, Sichuan Province
81	Pengzhou Jinxiu Tianchen	Chengdu	51%	Residential/Commercial/ Carpark/Ancillary	23,217	30 November-2024	15,739	East of Binhe North Road, Tianpeng Street, north of North Section of Mudan Avenue, Pengzhou City
82	Xindu Yueyinge	Chengdu	50%	Residential/Commercial/ Carpark/Ancillary/Others	35,238	30 March-2025	159,447	Xiaolin Village, Xindu Town
83	Emei Lotus Lake	Leshan	70%	Residential/Commercial/ Carpark/Ancillary/Others	247,377	01 September-2029	216,495	Shili Village, Shengli Town, Emeishan City; Penggui Village, Guihuaqiao Town, Emeishan City, Sichuan Province
84	Xichang Nanshan House	Xichang	88%	Residential/Commercial/ Carpark/Ancillary/Others	66,322	30 May-2024	35,741	Zhangjiatun Village, Xijiao Township, Xichang City, Sichuan Province
85	Xichang Jinxiu Xuefu	Xichang	88%	Residential/Commercial/ Carpark/Ancillary/Others	17,393	30 December-2026	51,758	Lot A-14, West New City, Xichang City, Sichuan Province
86	Pengzhou Leading Nanyuan	Chengdu	89%	Residential/Commercial/ Carpark/Ancillary/Others	20,137	30 June-2026	78,279	North Side of Jingyi Road and East Side of Jingrui West Road, Tianpeng Street, Pengzhou City, Chengdu
Subtotal					<u>6,814,265</u>		<u>7,538,336</u>	

Properties developed by the associates and joint ventures of the Company

1	Leshan Emei the Grand Sight	Leshan	60%	Commercial/Ancillary	50,302	21 January-2021	12,088	North of Exiu Lake, Emeishan City, Sichuan Province
2	Zhangjiakou Yuanjun Manting Fangyuan	Zhangjiakou	33%	Residential/Commercial/ Carpark/Ancillary/Others	170,592	31 December-2027	88,402	Shalingzi Town, Xuanhua District, Zhangjiakou City, Hebei Province
3	Ya'an Tianrun	Ya'an	50%	Residential/Commercial/ Carpark/Ancillary	15,530	29 May-2020	3,153	Chenghou Road, Yucheng District, Ya'an City, Sichuan Province
4	Ya'an Tianlu Bay	Ya'an	34%	Residential/Commercial/ Carpark/Ancillary/Others	70,140	27 December-2021	52,818	Daxing Town, Yucheng District, Ya'an City, Sichuan Province
5	Leshan Hengbang Shuanglin Global Center	Leshan	5%	Residential/Office/Commercial/ Carpark/Ancillary	31,632	04 June-2021	2,693	The junction of Fenghuang Road and Boyang Road, Central District, Leshan City, Sichuan Province
6	Nantong Longteng Hua House	Nantong	3%	Residential/Commercial/ Carpark/Ancillary/Others	125,950	31 December-2025	8,268	North of Dongxinghu Avenue, Longteng Road, Nantong City, Jiangsu Province
7	Nanchong Tianjing No.1 District	Nanchong	33%	Residential/Carpark/Ancillary	51,155	31 December-2030	48,703	Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province

No.	Project Names	City	Interest		Site Area (sq.m.)	Actual/Estimated Completion Date	Land Bank ⁽¹⁾ (sq.m.)	Address
			Attributable to the Group	Primary Intended Use				
8	Nanchong Tianjing No.2 District	Nanchong	33%	Residential/Commercial/ Carpark/Ancillary/Others	45,567	31 December-2030	35,730	No. 2021-b-9 Yan'er's Nest Area, Shunqing District, Nanchong City, Sichuan Province
9	Zhangjiajie Xinsong Leading Robot Happy Town	Zhangjiajie	30%	Residential/Commercial/ Carpark/Ancillary	77,783	31 December-2027	83,622	On the east side of Huatian Phase I, on the south side of Binhe Road, on the north side of Indigo Plaza, on the west side of Yingbin Road, Guanliping Office, Yongding District, Zhangjiajie City
10	Chengdu Tianfu Leading Town	Chengdu	50%	Residential/Commercial/ Carpark/Ancillary/Others	271,501	31 December-2027	313,773	(No. 18, Section 2, Shengwu Cheng Middle Road, Shuangliu District) Tianfu International Biological City, Chengdu City, Sichuan Province
	Subtotal				910,152		649,250	
	Total				<u>7,724,417</u>		<u>8,187,586</u>	

Note:

- (1) Total GFA of the Group's land bank includes (i) GFA available for sale and total leasable GFA for completed properties, (ii) GFA for properties under development and (iii) GFA for properties held for future development. For projects that are not wholly owned by the Group, the total GFA will be adjusted by our equity interest in the respective project.

INVESTMENT PROPERTIES

The following table sets forth a summary of the Group's investment properties as of 31 December 2024:

No.	Province	City	Project Names	Address	Property Types	Total GFA (sq.m.)	Tenure
1.	Sichuan	Chengdu	Chengdu International Finance Center	No. 151, 2nd Tianfu Street and No.750, Jitai Road, Gaoxin District, Chengdu, Sichuan Province	Shopping Mall	30,200	Medium term lease
					Office	2,926	
					Carpark	24,810	
					Ancillary	3,088	
Sub-total:						61,024	
2.	Sichuan	Leshan	Leshan Amazon	No. 418 and No. 424, North Section of Longyou Road, Shizhong District, Leshan City, Sichuan Province	Supporting Commercial Facility for Residential Area	1,292	Medium term lease
					Sub-total:		
3.	Sichuan	Leshan	Leshan Times Square	No. 336, Baiyun Street, Shizhong District, Leshan, Sichuan Province	Shopping Mall	29,830	Medium term lease
					Carpark	4,504	
					Warehouse	961	
Sub-total:						35,295	
4.	Sichuan	Leshan	Leshan Amazon and Part of Times Square	No. 418 and No. 424, North Section of Longyou Road, and No.336, Baiyun Street, Shizhong District, Leshan City, Sichuan Province	Supporting Commercial Facility for Residential Area	9,815	Medium term lease
					Carpark and Supporting Facilities	2,362	
					Sub-total:		

No.	Province	City	Project Names	Address	Property Types	Total GFA (sq.m.)	Tenure
5.	Jilin	Jilin	Jilin International Commerce Center	East of Caiyu Street, Jingyue Development Zone, Changchun City, Jilin Province	Shopping Mall	76,322	Medium term lease
Sub-total:						76,322	
6.	Sichuan	Chengdu	Chengdu Leading Center	No. 3 and No. 5, Xiyu Street, Qingyang District, Chengdu, Sichuan Province	First-floor Commercial Area in Office East and West Towers of Office Carpark Ancillary	9,954 103,042 25,611 8,658	Medium term lease
Sub-total:						147,265	
7.	Sichuan	Xindu	Gangji Hanxiangfu Preschool Gangji Famer's Market in Diexiang Manor	No. 600, East Section of Xueyuan, Xindu District, Chengdu City, Sichuan Province	Preschool Farmer's Market	1,799 3,438	Medium term lease
Sub-total:						5,237	
8.	Sichuan	Panzhihua	Panzhihua Leading Yangguang Flower City	Ganbatang Area, Huacheng New District, Panzhihua City, Sichuan Province	Farm product market (農貿市場)	2,031	Medium term lease
Sub-total:						2,031	
Total:						340,643	

FINANCIAL REVIEW

Revenue

During the Year, the Group derived its revenue from four business lines, namely (i) sale of properties; (ii) commercial property operations; (iii) hotel operations; and (iv) project management.

Revenue of the Group decreased by 54% from approximately RMB18,494 million for the year ended 31 December 2023 to approximately RMB8,571 million for the year ended 31 December 2024, primarily due to weak sales in the industry. The following table sets forth the details of the Group's total revenue by business line for the years indicated:

	For the year ended 31 December			
	2024		2023	
	(RMB'000)	%	(RMB'000)	%
Sale of properties	8,426,254	98.3	18,315,910	99.0
Commercial property operations	85,786	1.0	110,528	0.6
Hotel operations	47,557	0.6	53,441	0.3
Project management	11,569	0.1	13,645	0.1
Total	<u>8,571,476</u>	<u>100</u>	<u>18,493,524</u>	<u>100</u>

Sale of Properties

Revenue from sale of properties of the Group decreased by 54% from approximately RMB18,316 million for the year ended 31 December 2023 to approximately RMB8,426 million for the year ended 31 December 2024, primarily due to the industry downturn.

Commercial Property Operations

Revenue from commercial property operations of the Group decreased by 22% from approximately RMB111 million for the year ended 31 December 2023 to approximately RMB86 million for the year ended 31 December 2024, primarily due to the decrease in the occupancy rate and rental due to the sluggish domestic macro-economy.

Hotel Operations

Revenue from hotel operations of the Group decreased by 11% from approximately RMB53 million for the year ended 31 December 2023 to approximately RMB48 million for the year ended 31 December 2024, primarily due to the sluggish macro-economy.

Project Management

Revenue from project management of the Group decreased by 15% from approximately RMB14 million for the year ended 31 December 2023 to approximately RMB12 million for the year ended 31 December 2024, primarily due to the decrease in the number of projects under management.

Cost of Sales

The Group's cost of sales primarily represents the costs it incurs directly for the property development activities as well as its commercial property, hotel and project management operations and the provisions for impairment of properties held during the Year. The principal components of cost of sales for property development include cost of properties sold, which represents direct construction costs, land acquisition costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The cost of sales of the Group decreased by 49% from approximately RMB16,728 million for the year ended 31 December 2023 to approximately RMB8,457 million for the year ended 31 December 2024, which was mainly due to the decrease in revenue.

Gross Profit and Gross Profit Margin

As the result of the foregoing, the Group recorded a gross profit of RMB114 million for the Year, as compared with the gross loss of RMB1,766 million for the year ended 31 December 2023.

Gross profit margin of the Group is approximately 1.3% for the year ended 31 December 2024.

Other Income

The Group's other income and gains primarily consist of interest income, management consulting service fees, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. The commercial compensation primarily represents (i) liquidated damages the Group received from property purchasers who defaulted on the payments due pursuant to their purchase agreements with the Group; and (ii) liquidated damages the Group received from the Group's property-developer business partners who breached their contracts with the Group.

Other income of the Group decreased by 64% from approximately RMB85 million for the year ended 31 December 2023 to approximately RMB31 million for the year ended 31 December 2024, primarily due to the decrease in interest income, consultancy fees charged to joint ventures and associates, and government subsidies.

Selling and Marketing Expenses

The Group's selling and marketing expenses mainly include advertising and marketing fees that the Group incurs in connection with the Group's pre-sales of properties, including the commission fees paid to third-party sales agents, as well as advertising and marketing fees incurred in relation to the leasing of the commercial properties the Group operates and manages.

Selling and marketing expenses of the Group decreased by 72% from approximately RMB1,013 million for the year ended 31 December 2023 to approximately RMB281 million for the year ended 31 December 2024, which was primarily due to the decrease in sales.

Administrative Expenses

The Group's administrative expenses primarily include costs for management and administrative staff.

Administrative expenses of the Group decreased by 33% from approximately RMB295 million for the year ended 31 December 2023 to approximately RMB198 million for the year ended 31 December 2024, primarily due to the decrease in the number of administrative personnel.

Fair Value Gain/Losses on Investment Properties

The Group develops and holds certain commercial areas in our properties on a long-term basis for rental, operating income or capital appreciation.

The Group recorded fair value losses on investment properties in the amount of approximately RMB399 million for the year ended 31 December 2024, as compared to fair value losses on investment properties in the amount of approximately RMB356 million for the year ended 31 December 2023. The change is primarily due to the decrease in property rentals as a result of the domestic economic downturn.

Other Expenses

The Group's total other expenses for the year ended 31 December 2024 amounted to RMB620 million (2023: RMB40 million), representing an increase of RMB580 million over the prior year. The increase was mainly due to (1) the provision for impairment loss on receivables of RMB362 million for the Year; and (2) the loss recorded for the reorganisation ruling for two subsidiaries of the Company as disclosed in the announcements of the Company dated 18 April 2024, 8 May 2024, 29 May 2024 and 30 October 2024, being RMB246 million for the Year in accordance with the relevant accounting standards. The bad debt loss on receivables for the Year was mainly due to the fact that, in view of the continuing downturn of the domestic economy, the Group provided for impairment loss on receivables that were expected to be uncollectible after careful assessment.

Finance Costs

The Group's finance costs mainly represents the Group's interest expenses on bank and other borrowing as well as interest from a significant financing component of contract liabilities, which is related to the pre-sale deposits the Group received from its customers, less capitalized interest relating to properties under development.

Finance costs of the Group increased by 24% from approximately RMB262 million for the year ended 31 December 2023 to approximately RMB325 million for the year ended 31 December 2024, primarily due to the higher default interest payable resulting from the Group's failure to repay certain maturing borrowings as scheduled.

Share of Profits and Losses of Joint Ventures and Associates

The Group recorded share of profits of joint ventures in the amount of approximately RMB28 million for the year ended 31 December 2024, as compared to share of profits of joint ventures in the amount of approximately RMB12 million for the year ended 31 December 2023. The change is primarily due to fluctuations in operating results of joint ventures.

The Group recorded share of losses of associates in the amount of approximately RMB64 million for the year ended 31 December 2024, as compared to share of losses of associates in the amount of approximately RMB3 million for the year ended 31 December 2023. The change is primarily due to fluctuations in operating results of associates during the Year.

Income Tax Expense

Income tax expenses represent corporate income tax and LAT payable by the Group's subsidiaries in the PRC.

Income tax expenses of the Group decreased by 29% from approximately RMB880 million for the year ended 31 December 2023 to approximately RMB621 million for the year ended 31 December 2024, primarily due to the decrease in land value-added tax resulting from delivered projects with low gross profit during the Year.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a net loss for the year of approximately RMB2,335 million for the year ended 31 December 2024, as compared to a net loss of approximately RMB986 million for the year ended 31 December 2023.

Liquidity, Financial and Capital Resources

Property development require substantial capital investment for land acquisition and construction, and it may take many months or years before positive cash flow can be generated. To date, the Group has funded its growth principally from cash generated from operations of the Group and borrowings from banks, and trust and other financings.

The Group intends to continue to monitor its development and construction schedules, property sales and land acquisition plans based on the cash inflow associated with existing and planned external financing opportunities, including but not limited to the issuance of corporate bonds or other debt offerings and property sales proceeds.

Cash Position

As at 31 December 2024, the Group had cash and bank balances of approximately RMB1,480 million (31 December 2023: RMB2,007 million), pledged deposits of approximately RMB51 million (31 December 2023: RMB96 million) and restricted cash of approximately RMB554 million (31 December 2023: RMB599 million).

Indebtedness

As at 31 December 2024, the Group had total indebtedness, including interest-bearing bank and other borrowings, senior notes and lease liabilities, amounted to approximately RMB5,195 million (31 December 2023: approximately RMB7,098 million), of which RMB4,542 million was carried at fixed rates.

The following table sets forth the components of the Group's indebtedness as at the dates indicated:

	As at 31 December	
	2024 (RMB'000)	2023 (RMB'000)
Non-current		
Bank loans — secured	2,059,726	1,954,641
Other loans ⁽¹⁾ — secured	367,974	186,709
Non-current portion of lease liabilities	—	8,539
Current		
Senior notes — unsecured	872,940	860,104
Current portion of lease liabilities	—	3,491
Current portion of long term bank loans — secured	661,908	2,064,877
Current portion of long term other loans — secured	1,232,132	2,019,270
Total indebtedness	<u>5,194,680</u>	<u>7,097,631</u>

Note:

- (1) Other loans include financing arrangement with trust companies, asset management companies, other financial institutions and other third-party companies.

The following table sets forth the maturity profiles of the Group's bank and other borrowings as at the dates indicated:

	As at 31 December	
	2024	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Repayable within one year or on demand	1,894,040	4,084,147
Repayable in the second year	15,329	403,441
Repayable in the third to fifth years, inclusive	1,029,174	170,584
Repayable beyond five years	1,183,197	1,567,325
Total	<u>4,321,740</u>	<u>6,225,497</u>

Net Gearing Ratio

The net gearing ratio (as calculated by total borrowings, including interest-bearing bank and other borrowings, less cash and bank balances divided by total equity as at the end of the respective period) was approximately 21.3 times as at 31 December 2024 (31 December 2023: approximately 1.87 times). The increase in the net gearing ratio as at 31 December 2024 was mainly due to the decrease in net assets.

Credit Risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks. The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets. To manage this risk, deposits are mainly placed with licensed banks which are all high-credit-quality financial institutions.

The Group has no significant concentrations of credit risk in view of its large number of customers. The credit risk of the Group's other financial assets, which mainly comprise restricted cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity Risk

The Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis, including review of the expected cash inflows and outflows, pre-sales/sales results, maturity of its borrowings and the progress of the planned property development projects in order to monitor its liquidity requirements in the short and long terms.

The Group has established a set of liquidity risk management measures, including budgeting, prudent land acquisition decisions, stringent cost control and alternative financing channels. Through these liquidity risk management measures, the Group aims to maintain sufficient reserves of, and adequate committed lines of funding from, financial institutions to meet the Group's liquidity requirements in the short and long term.

Foreign Exchange Risks

The Group mainly operates its business in the PRC, and substantially all of its revenue and expenses are denominated in RMB. As at 31 December 2024, among the Group's cash at bank and on hand and senior notes, RMB0.04 million and RMB873 million, was denominated in US dollars, respectively, such amount was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and use variable rate bank borrowings and other borrowings to manage its interest cost.

Pledge of Assets

As at 31 December 2024, certain of the Group's bank and other borrowings are secured by the pledges of the Group's assets with carrying values of approximately RMB7,839 million (31 December 2023: approximately RMB12,370 million) which include (i) property, plant and equipment; (ii) land use right; (iii) investment properties; (iv) properties under development; and (v) completed properties held for sale.

Contingent Liabilities

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If the Group fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds. In line with industry practice, the Group does not conduct independent credit checks on its customers but rely on the credit checks conducted by the mortgagee banks.

The following table sets forth the Group's total guarantees as at the dates indicated:

	As at 31 December	
	2024	2023
	(RMB'000)	(RMB'000)
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties	10,021,238	11,576,527
Guarantees given to banks and other institutions in connection with facilities granted to related parties	<u>120,000</u>	<u>120,000</u>
Guarantees given to banks and other institutions in connection with facilities granted to former subsidiaries ⁽²⁾	<u>728,882</u>	<u>—</u>
Total	<u><u>10,870,120</u></u>	<u><u>11,696,527</u></u>

Notes:

- (1) All guarantees provided by or to the controlling shareholders of the Company and their respective close associates on the borrowings of the Group or the controlling shareholders of the Company and their respective close associates had been fully released immediately before the listing.
- (2) Two subsidiaries of the company have entered bankruptcy proceedings, as disclosed in the announcements of the Company dated 18 April 2024, 8 May 2024, 29 May 2024 and 30 October 2024 respectively. The company has provided guarantees for their bank loans and other loans.

Commitment

As at 31 December 2024, the Group's capital commitment it had contracted but yet provided for was RMB10,527 million, compared with RMB12,146 million as at 31 December 2023.

Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities disclosed above, as at 31 December 2024, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Year, the Company has conducted disposal of its joint venture in order to strengthen its cash flow, for details of which, please refer to announcement of the Company dated 12 September 2024.

Save as disclosed, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets during the Year.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had 585 employees (31 December 2023: 928 employees). For the year ended 31 December 2024, the staff cost recognised as expenses of the Group amounted to RMB159 million (31 December 2023: RMB198 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include a salary, bonus and various allowances. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion.

As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. When there are employees who leave the scheme prior to becoming fully vested in the contribution, the amount of the forfeited contribution will be used to reduce future contribution payable by the Group.

The Directors and members of the senior management receive compensation from the Group in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans. The Board will review and determine the remuneration and compensation packages of the Directors and senior management, and will receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2024 (including sale of treasury shares as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). As of the end of the Year, no treasury shares were held by the Company.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the “AGM”) will be convened and held on Friday, 30 May 2025. A notice convening the AGM will be published on the websites of the Company and the Hong Kong Exchanges and Clearing Limited in accordance with the requirements of the Listing Rules in due course. For the purpose of determination of eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the forthcoming AGM to be held on Friday, 30 May 2025, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Monday, 26 May 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in Part 2 of the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 to the Listing Rules. Except for the deviation from code provision C.2.1 of the CG Code, the Company has complied with the code provisions as set out in the CG Code. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Liu Yuhui is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Liu Yuhui is the founder of the Group and has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Liu Yuhui taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Save for the deviation from code provision C.2.1 of the CG Code, the Board is of the view that the Company has adopted, applied and complied with the CG Code for the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as contained in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquires to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2024.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees for the year ended 31 December 2024.

REVIEW OF THE ANNOUNCEMENT BY THE AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Ms. Luo Ying, Mr. Zhang Guanghu and Mr. Fang Min. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024. The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2024.

The figures in respect of the Group’s consolidated statement of profit or loss and comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed with the auditor of the Company, SHINEWING (HK) CPA Limited (“**SHINEWING**”), to the amounts set out in the Group’s consolidated financial statements for the year ended 31 December 2024. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from SHINEWING, the auditor of the Company:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the *Basis for Disclaimer of Opinion* section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple uncertainties relating to going concern

As set out in note 2.1 to the consolidated financial statements, the Group recorded a net loss of RMB2,334,805,000 and a net operating cash outflow for the year ended 31 December 2024. As at 31 December 2024, (i) the Group's total bank and other borrowings and senior notes amounted to RMB5,194,680,000, out of which RMB2,766,980,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB874,662,000; (ii) the Group had not repaid an aggregate principal amount of RMB872,940,000 for certain senior notes according to their scheduled repayment dates; and (iii) an aggregate principal amount of RMB1,529,489,000 for certain interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates. In addition, as at 31 December 2024 and as of the date of approval of these consolidated financial statements, the Group has been and is being sued by various parties for various reasons, details of which are set out in note 2.1 to these consolidated financial statements. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the abovementioned, these consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends upon the successful outcome of the Group's various plans and measures, as set out in note 2.1 to these consolidated financial statements, to mitigate its liquidity pressure and to improve its financial performance, which are subject to multiple uncertainties.

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the intended plans and measures as mentioned in note 2.1 to these consolidated financial statements, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.leading-group.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be published on the same websites in due course.

By order of the Board
Leading Holdings Group Limited
Liu Yuhui
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Liu Yuhui and Mr. Luo Changlin as executive Directors and Ms. Luo Ying, Mr. Zhang Guanghu and Mr. Fang Min as independent non-executive Directors.